

SECRET

24 November 1981

MEMORANDUM FOR THE RECORD

Staff Meeting Minutes of 24 November 1981

The Director chaired the meeting. []

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The Director reported he and Stein briefed the NSC last week on sensitive intelligence activities and that he will brief the NSC on the capabilities study before the budget cycle ends. [] will prepare this briefing. []

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[] reported the budget has been pulled together and all program managers are satisfied with the decisions. A draft cover letter will be sent to the Director today for his review. []

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Dirks said he was on the West Coast last week visiting various contractors and based on what he saw he believes all our programs are in good shape. []

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In response to the Director's question, Briggs said a concise summary of the charges of improprieties by CIA during the 70's was done. McMahon said the Church and Pike reports indicated that CIA was a disciplined organization and not a "rogue elephant." In response to the Director's question about why positive stories were never articulated to the public, McMahon said because they were not headline material. The Director asked Briggs to prepare a response to the allegations of past CIA improprieties particularly on the domestic scene. []

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Sporkin reported OGC and the DoJ are negotiating with former Attorney General Bell to delete certain references to CIA operations which appear in the draft of his forthcoming book. []

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McMahon reported [] will head a joint CIA/DIA team which is going to Geneva on 27 November to support the INF talks. []

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The Director told Lipton he noted in his weekly report there is a total of [] in FY-82 unfunded requirements. In response to the Director's question, Lipton noted this was about what it was for the last fiscal year and that by mid-December he will be meeting with Deputy Directors to prioritize requirements. []

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Attachment:
As stated

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WASHINGTON POST

— B-1 —

Setup For Disaster

The Double-Crossing Of a Double Agent

By Robert G. Kaiser

Any American still burdened by the romantic notion that his government is incapable of dastardly deeds, of betraying its own citizens, or of behaving with criminal negligence, ought to read this appalling, true-life spy story. It is a fantastic yarn that deserves not only a wide readership, but a full-blown congressional investigation as well.

As befits such a tale, its title is an invention. Shadrin is the name adopted by a Soviet naval officer named Nikolai Fedorovich Artamonov, who defected to the West in 1959. His defection was the first unbelievable event in a chain of them that together comprise this horror story.

Artamonov was then 31, the youngest destroyer commander in the Soviet Navy. He was stationed near the Baltic port of Gdansk, where he was helping to train Indonesian navy officers in the use of Soviet ships. In Poland, Artamonov met and fell in

Agency. Naturally, American intelligence officials were thrilled to get such a defector. The initial doubts about his legitimacy were soon set aside.

There is no way to recapitulate the entire astounding story in this review, and it would be an injustice to Henry Hurt to try. So let me jump to the next key event (and it is a very long jump indeed), in spring of 1966. It was a telephone call from a Soviet KGB man, code-named Igor, to the Washington home of Richard Helms, then the director of Central Intelligence. Helms wasn't home, so Igor told Mrs. Helms that he wanted to go to work for American intelligence. Soon U.S. spies were busily engaged in signing up Igor, who told them he was in line to become chief of Soviet counterintelligence in the United States. American spies drooled at the thought of having such a man working for them.

But Igor imposed one condition. To show his bosses in Moscow how

clever he was, Igor wanted to recruit Nikolai Artamonov back to the Soviet side as a defector-agent. The handful of American spooks who were in on the Igor proposal quickly agreed that this would be worthwhile. According to Hurt, they then set up Artamonov (who was by then an American citizen using the name Nicholas Shadrin) to be recruited by the Soviets. Shadrin was reluctant, according to Hurt's sources, but was persuaded by Adm. Rufus Taylor (a former director of DIA and deputy director of the CIA whom Shadrin had befriended and come to admire) and others to undertake the assignment. However, it appears that no one ever told Shadrin about Igor, or told him that he was being used as a piece of bait in an effort to enhance Igor's credentials in Moscow.

For nine years, Shadrin played a fool's role in a classic espionage charade. He had a series of meetings with Soviet spies, some of them abroad; passed information prepared by the CIA, and reported everything that happened to his handler at the FBI. If Igor was really working for the United States, there's a chance the Soviets took Shadrin seriously. If

Igor was a fake, as many American intelligence officers believed and still believe, then the Soviets knew that Shadrin was acting the whole time.

In December 1975, Shadrin went to Vienna to meet with Soviet agents. It was the second time he had met them in the Austrian capital. He took along his wife, by then a well-established dentist in suburban Virginia. On the evening of Dec. 18, Shadrin had his first meeting with the Russians, and it went well. Then, two nights later, Shadrin went off for a second meeting. He never returned from it, and has never been seen or heard of since.

Henry Hurt has done an impressive job of finding out all he could about the Artamonov/Shadrin case, and an even better job of putting it into an exciting, readable narrative. As he would undoubtedly be the first to admit, he hasn't cracked the case. It is riddled with mystery still, and will be until there is a proper congressional inquiry. All that is known for certain is that the United States government willingly risked and may have lost the life of one of its own citizens in a foolish spy operation. It took a great deal of bungling and stupidity to get this job done, but the CIA and the FBI rose to the occasion, and then some.

In researching the Artamonov/Shadrin tale, Hurt made one startling discovery that has already been the subject of a front-page story in *The Washington Post*. It concerned a Soviet official code-named Fedora who worked for years at the United Nations, where he volunteered information to the FBI. He was J. Edgar Hoover's favorite agent, but the FBI has now concluded that he was just a KGB plant, Hurt discovered. (Justice Department officials later confirmed this story to *The Post*.)

Fedora always vouched for another Soviet defector, Yuri Nosenko, who arrived in the West in 1963 just in time to assure our side that the KGB had never paid any attention to Lee Harvey Oswald when he was in Russia, an assertion that Hoover — among others — was eager to embrace. The House Committee on Assassinations concluded after hearing testimony from Nosenko that he

Book World

SHADRIN: The Spy Who Never Came Back.

By Henry Hurt.

(Reader's Digest/McGraw-Hill, 313 pp. \$13.95)

love with a 21-year-old Polish dental student named Blanka Ewa Gora. Realizing that they had no future together in the Soviet bloc, Artamonov took the launch available to him as a ship's commander, and they fled together across the Baltic to Sweden. Artamonov asked for asylum in the United States. After passing through an American center for defectors in Frankfurt — where at least some members of the staff were suspicious of Artamonov's bona fides — Artamonov and his dental student were installed in Washington, where he began to share all he knew about the workings of the Soviet Navy. Eventually he went to work in the American Defense Intelligence

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was a liar, a suggestion that seems to be supported by the finding that Fedora was a phony. But Nosenko is still an employee in good standing of the CIA. Well, that's the spy biz.

I wrote the first newspaper story about Shadrin's disappearance in *The Post* in 1977, and met Mrs. Shadrin, her lawyer and other players in the drama at the time. I offer that information here to justify a little second-guessing of Hurt, although he certainly spent a lot more time trying to figure out this mystery than I have.

On two points — neither of them relevant to the outrageous treatment Shadrin received from the United States government — Hurt seems to be a little too credulous. First is on the qualities of Shadrin himself, whom Hurt lionizes in this book as a brilliant, charming, patriotic man for all seasons (and for both sides of the Soviet-American competition) who had no serious flaws.

Perhaps this is so, but the evidence Hurt offers is not persuasive. I sensed in Shadrin an ambitious and ambiguous man who suffered from one of life's cruellest afflictions, an unrealistic image of himself. After committing the uniquely courageous, adventurous act of defecting from his homeland, he seemed to expect his new country, America, to give him at least as many opportunities as he had in the old one — not just opportunities in general, but opportunities for government service in secret work.

This wasn't realistic or even sensible, for it was unlikely that a defector would ever be treated with full confidence, especially in the paranoid world of espionage. Shadrin, it appears, could never come to terms with this fact. Instead he fought it, not least by participating for nine years in the ludicrous double- (or triple-, or whatever) agent game the CIA and FBI set for him. He told friends that he thought the successful completion of his final mission to

Though she finally had to acknowledge that he was conducting an elaborate intelligence operation without her knowledge (she says he never discussed the double-agent scheme with her), she equally insists that there were no important secrets between them.

Hurt never challenges her version, but her own story, as he records it, proves that it is incomplete. Particularly revealing is one stunning admission that Hurt drew out of her in one of their long interviews. On one

occasion, when she obviously knew that something odd was going on, Mrs. Shadrin opened a letter addressed to her husband. It was apparently a coded message from a Soviet agent, but she never discussed it with her husband.

According to her, in fact, there were a lot of things she never discussed with her husband. It seems implausible to me that these two people, who had to depend on each other for all the emotional support that can usually be provided by parents, children, relatives and lifelong friends, could have survived in a new country without sharing everything

with each other. But according to Mrs. Shadrin, they shared nothing about the crucially important secret operation that probably cost Shadrin his life.

He probably is dead; at least I can't imagine he is alive. Leonid Brezhnev sent a message to President Ford saying Shadrin never showed up for his last scheduled meeting with Soviet agents in Vienna. It is hard to imagine Brezhnev sending such a message if it wasn't true, since the meeting was to take place in clear view of the American Consulate in Vienna. (No one was watching, however — another CIA

blunder.) Hurt suggests the possibility that the CIA killed Shadrin; Mrs. Shadrin's lawyer has suggested it too. We will probably have to wait for some future Soviet defector to tell us the truth. But will it be the truth?

There is another possibility. Somewhere in Washington there are people who know more about Shadrin's fate than has yet been learned. Conceivably, one of those people might decide it was time to share his or her knowledge. This is a situation that cries out for a strategic leak, but for six years none has been forthcoming.

The relevant congressional committees might well take the radical step of doing their duty in this matter, and clearing it up. As Hurt concludes with undebatable accuracy, "Ewa Shadrin has been the victim of one of the greatest deceptions the

American government ever perpetrated on one of its citizens." The same is probably true of Nikolai Artamonov/Nicholas Shadrin. The Shadrin case demonstrates that the FBI and CIA can be dangerously incompetent; it demonstrates the most callous kind of bureaucratic indifference — a kind I associate with the Soviet Union, not with this country.

Of course I say all this as though I know most of the basic facts of the case; actually, Henry Hurt and I may know only a small fraction of them. Indeed, if this fine book hasn't missed many important elements in the tale, I'll eat my fedora.

But I'd rather find out the truth from my own government, which is responsible for this fiasco.

Vienna (the one from which he never returned) would lead to a security clearance at last. This was his dream.

The second point on which Hurt seems too credulous to me is the relationship between Shadrin and his wife. Mrs. Shadrin told Hurt repeatedly — as she told me in 1977 — that she knew her husband totally, knew exactly what was in his mind.